

# A Majority of Members of the Cabinet, Chiefs of Bureaus, and Others in Replies Favor the Idea

With But One Exception  
All of the President's  
Advisers Favor  
the Idea.

Secretary Moody Would  
Appoint Only Young  
People for a Few  
Years' Service.

of the order of President Roosevelt, calling for just such information as they need to guide them in formulating a bill to present to Congress.

"The association," said Mr. Starr, "in its study of the pension problem, has not confined itself to Government methods. Last November 5,000 letters were sent out to leading corporations, railroads, banks and business houses, requesting information on their own pension systems. The last question of these letters read: 'Divesting it of its humanitarian principle, do you regard the pension system as a good business method?' Seventy replies were received from the larger corporations of the country, which use the system, and the answers of all of them to this question, as you can see for yourself, are in the affirmative. The officers of 400 banks wrote their approval of the pension system from a business standpoint. Many other replies were received, showing that, like ourselves, the writers are reaching after a similar system."

Mr. Starr also produced a number of the annual reports of corporations employing the retirement system, such as the Pennsylvania Railroad, the Delaware, Lackawanna and Western, and others, and an examination of these showed a high state of prosperity and smooth working of the system of pension retirement. Probably the most interesting report, because it represents the oldest corporation system of pension retirement, is that of the Grand Trunk Railroad of Canada, which instituted the system thirty years ago. The Grand Trunk sent a special report, showing that the scheme embraced all officers, passenger or freight agents, telegraph operators, and the clerical staff generally, who, on the date of its becoming effective were under thirty-seven years of age, and in receipt of more than \$400 per annum. Membership was optional for officers and employees then in the service, but compulsory upon all who entered after the 1st of October, 1874.

The revenue of the retirement fund is derived from a contribution from the members of 2½ per cent of their pay, deducted monthly on the pay rolls, the amount so contributed being augmented by a contribution of an equal amount monthly by the Grand Trunk Railway Company.

The funds are invested in the names of three trustees appointed by the directors of the company. A report is made every five years by competent actuaries as to the position and prospects of the fund, and after the experience of twenty-nine years it has been found to be in an entirely healthy and solvent condition.

Members are eligible for a pension at the age of fifty-five years, such pension being computed on the basis of one-sixtieth of the retiring pay for each year of membership, the allowance, however, in no case to exceed two-thirds of the average annual pay during the period of membership.

In the event of a member being incapacitated for work, owing to mental or bodily infirmity, after having contributed for ten years or over, he is entitled to a pension on the same basis.

In the event of an employee leaving the service after contributing for five years, he receives one-half, and after ten years the whole of his contributions. Should he die at any time, his widow receives the whole amount paid in by him, or if he leaves no widow, then the same is paid to his legal representatives.

Speaking of some of the features of the plan, the Grand Trunk officials write:

"Objections have occasionally been made as to the compulsory character of the system, but such are the result of a lack of consideration of the subject. The scheme is the outgrowth of a desire to apply for their individual welfare the opportunity afforded by the employment of a large body of men. It is an adaptation of the sound principle, 'the greatest good for the greatest number.' The opportunity would be thrown away were the system made a voluntary one, because such a course would neutralize any benefit obtainable by reason of the collective feature.

"The practical results consequent upon the operation of the fund have been excellent. In many instances where employees dispensed with would otherwise have been reduced to penury they have been enabled to pass the remainder of their lives in comparative comfort."

"Such expressions as these make us feel that we are right in our contention that the establishment of a pension retirement system on a sound business basis will be for the good both of the Government and the employee," said Mr. Starr.

"I might go into the tentative details of our plan, but it would be of little value, as we cannot take any position or lay any scheme intelligently until we are possessed of the data which the President's order will produce. These will be submitted to actuaries, and the percentage which our bill will recommend to be charged against the salaries will be one which will assure the suc-

## Secretary Taft Becomes An Enthusiastic Advocate



SECRETARY TAFT.

I am confident that, in the Philippines at least, the Government would greatly gain by the retirement of civilian employees on pension at the age when such retirement is demanded by justice to both Government and employee. It would vastly improve the personnel could men be induced to take up the service as a life work, looking forward to the certainty of an assurance against want in their old age.

WILLIAM H. TAFT.

## PLANS REALLY NEEDED IN PHILIPPINE ISLANDS

Secretary Taft Says Pensions Would Improve  
the Service of the Government  
in the Islands.

THOUGH hardly settled in his new office of Secretary of War, and but recently returned from several years' absence in the Philippines, Secretary Taft, with his customary breadth of view, was sufficiently cognizant of the conditions in the United States to realize and frankly admit the import of the question put to him by The Times. It was plainly to be seen that the new Secretary had strong convictions on the subject, as was evinced by his earnestness of manner and diction.

"Bear in mind," said Secretary Taft, "that my knowledge of the various phases of the question you put to me is necessarily confined to the service in the Philippines. So far as this service is concerned, my answer would be an emphatic 'Yes.'"

"I am confident that, in the Philippines at least, the Government would greatly gain by a retirement of civilian employees on pension at the age when such retirement is demanded by justice to both Government and employee. It would vastly improve the personnel could men be induced to take up the service as a life work, looking forward to the certainty of an assurance against want in their old age."

"I understand in a general way that there is a lot of 'dead wood' in the departments here. This condition is, of

course, owing largely to the indisposition to turn out persons who have faithfully served their country. Yet the very retention of such 'dead wood' works an injustice to the Government, and also to the younger and still vigorous employees whose energies suffer an additional tax to supply the deficiency of their superannuated fellows.

"As to the manner of providing pensions, either by the Government direct or by forced contributions on the part of the employees, I shall not at this time express an opinion, for I have not studied the problem. There is a widespread objection on the part of the general public to further drains on the national Treasury for pension purposes. But before any final expression on this phase of the question, a careful examination should be made, to determine the amount necessary for appropriation or assessment, to determine if this additional expense be not offset by certain advantages. Taking the Philippine service as a criterion, these advantages would be certain to accrue. Increased activity, the infusion of new blood, lower salaries, and the additional amount of work which could be accomplished, would result in an actual saving to the Government that would more than compensate for the cost of retiring the older and less efficient clerks on pensions. I do not know, as yet, but I imagine that this might also be true of the general service."

## OFFICERS OF DISTRICT ADVOCATE PENSIONS

Commissioner Macfarland Believes Civilians Should Be on  
an Equal Footing With the Army and Navy.

COMMISSIONER H. B. F. MACFARLAND, president of the Board of District Commissioners, is committed to the principle of retirement on pension, but not to any plan for accomplishing this result, beyond believing that the fund for this purpose should arise from contributions from the proposed beneficiaries. Commissioner Macfarland said:

"I favor the principle of a civil service pension. I am not committed to any particular plan. But it is obvious that the plan adopted should be carefully safeguarded, so as to apply the principle to cases, first, of long and faithful service, and, second, where an advanced age has been attained, and so as to prevent abuses. If possible, I think, those desiring to participate in the benefits of such a plan should contribute a stated sum from time to time during the period of their active service, to a fund to be kept by the Government and supplemented by public funds to the extent necessary to provide pensions for those who serve the required length of time and reach the required age."

"Considering the intelligence and the intellectual attainments required, and the scale of living demanded by their circumstances, the men and women in the civil service of the National Government are not paid large salaries, and with all the demands upon them cannot be expected to save large amounts of money. In the District government the range of salaries is lower than in the National Government. Fortunately, in the District government, which in its permanent form is only a quarter of a century old, we have very few clerical employees, and the question of what provision should be made for such employees when they become superannuated is not therefore a very pressing one. I think we have in general a most vigorous, industrious and efficient staff. But as the District grows older, the question will come home to us, and I wish that it might be anticipated by some practical arrangement that would be equitable

to all concerned. I have given a good deal of study to the matter, but have not as yet seen any plan that seemed entirely satisfactory."

"I seriously doubt the wisdom, necessity and practicability of a civil service pension system," said District Commissioner Henry L. West. "I think the Government is a good employer, paying well for services rendered, and not making the drain upon the vitality of its employees by long hours of labor, such as are required of clerical employees of private corporations."

"A man who has to make his way in the world outside of the Government service, if he have wisdom, provides against the time when old age will reduce his earning capacity to the minimum."

"There is no reason why the Government employee should not exercise the same foresight and thrift."

"I believe the country should be on a business basis. If the Government is to care for thousands of certain class, or have performed a maximum of service, the system will encourage extravagance and wastefulness, because a man will naturally be indifferent as to whether he saves or not, if he is to pass his retirement years as a ward of the Government. If you tell me the plan can be adopted by the system of taxing salaries, I will reply that this would be but the initial movement for an out-and-out pension, which would come in time."

Opinions on this question by other prominent men will be printed next Sunday. Contributions on the subject by Times readers who see features of the matter discussed which are not here brought out are invited.

cessful operation of the law if adopted.

"Many interesting figures were obtained through our investigation into the personnel of the District employees of the classified service. The youngest age at which any person now in the service entered is ten years. The oldest person in the service is eighty-nine years of age. The youngest is fifteen. The smallest salary is \$156.50 and the largest \$5,000 per annum. The longest service of any person was sixty-six years and his age eighty-seven, when he was discharged from the Treasury Department. The number of employees receiving \$156.50 to \$500 per annum is 1,679, and the amount of salaries is \$815,208.00. The mass of correspondence that has been necessary is greater in volume than you can imagine."

"The chairman of the Committee on Civil Service in the United States Senate and the House of Representatives, the members of the Civil Service Commission, Civil Service Reform League, and many members of Congress have evinced a lively interest in our labors, and have given us much encouragement and are anxiously awaiting the results of the actuary's calculations."

In investigating this question, and obtaining representative opinions on the subject, naturally a call was made on Gen. John C. Black, the new president of the Civil Service Commission. General Black admitted that he had a well-formulated opinion on the subject, but declined to talk at the present, for the reason that he is to appear in a few days before the Committee on Civil Service and Reform of the House, to give them his views, and he did not think it becoming to give a public expression to his opinion before his talk to the committee. "After I have been before the committee, if you still desire it, I will be only too glad to give my convictions to the readers of The Times," said General Black.

One of the oldest employees of the State Department, who was outspoken in his advocacy of the proposition to provide a pension fund for superannuated Government employees, advanced this argument in support of his stand:

"I can best illustrate the necessity for doing justice to such a movement by citing the case of an old friend of mine, who for years had been a faithful and valuable clerk in the Pension Office. Just after passing his sixtieth birthday he was removed. He had worked steadily, it is true, but his salary had been barely adequate for the needs of his large family. Besides his wife had long been an invalid, requiring constant medical attention. Very well. He started out bravely to seek employment in this, his home city, confident that his years of training would make him valuable in a clerical capacity in some business house."

"At most places he met only with rebuffs. One look at his gray hairs and stooping figure was all sufficient where energy and briskness was the watchword. In the few instances where his story was listened to, he was informed kindly but conclusively that while his technical knowledge would doubtless be valuable just where he had acquired it, the merchants of the present day were looking for young blood, and for men who could give to the business, as my friend had done to the Government, the best and most vigorous years of their lives. The result was that the discharged clerk, unable to obtain any work for which he was qualified, was compelled to go to a distant State, and for some time he has been barely kept from the poorhouse by the charity of relatives."

"The same thing might happen to me or to any other aged employee of any of the Government departments, who suddenly found himself adrift. You therefore understand why I am an earnest advocate of the pension system."

The contrast between the policies of the Government toward military and civilian employees was brought out by a civil service clerk in the War Department. "I have long been honestly convinced," said he, "of the fairness of putting civilian employees on something like an equal footing with the army and the navy in the matter of retirement pensions after a certain term of service."

"I consider in my own case, that, while I have performed no act of thrilling heroism on land or sea, as have those fortunate enough to belong to the military arm of the Government, I have given just as faithful service for more than a score of years, in the capacity of a civilian employee. Under the circumstances I firmly consider that these services have been as essential even to the successful issue of military operations, as is the work of the soldier on the battlefield. Yet, despite the equality of the service rendered, you find the pensioning of the disabled and retired soldier the heaviest drain on the national finances, while absolutely no provision is made for me. When my work is no longer useful because of advancing years, I must live on what I have been able to save from my salary under no matter what vicissitudes, or become dependent on friends and relatives. If it is right and proper to retire soldiers and sailors on pensions, the same arguments, it seems to me, must convince anyone that a similar provision should be made for us."

"What is wanted in the Government service is young blood, virile bodies, and vigorous brains; is it not so?" said a Navy Department clerk. "You will certainly attract a better class of young men into the Government offices if you can assure them not only a fair salary during the period of usefulness, but a certainty of an old age unharassed by the dangers of the open market."

"There might be a modification of this rule to the extent that if a person during his term of service became a section chief, and desired to stay two years longer, it could be permitted; if he became a division chief, he might remain still longer. These exceptions would give the Government the benefit of the

## Secretary of the Interior Friend of Civil Pensions



SECRETARY HITCHCOCK.

If some plan can be devised for the retirement of civilian employees at a certain age or after a certain term of service, which will be fair to both employee and the Government, then I shall lend that plan my heartiest support. Some means undoubtedly ought to be devised to alleviate the present condition.

ETHAN ALLEN HITCHCOCK.

## HE IS READY TO SUPPORT ANY PRACTICAL SCHEME

Secretary Hitchcock Thinks That Civilians  
Should Be Placed on a Footing  
With Soldiers and Sailors.

YOU are propounding to me a question characterized by importance and delicacy," said Secretary of the Interior Hitchcock.

"There are so many phases to it, and so many issues involved, that one should hesitate before committing himself."

"There can be no question about the conditions. The Government service needs younger blood and brains. The later days of a Government clerk of long service are inefficient because of his age. The Government suffers, both in the amount and character of the service performed, because of this inefficiency. The public would be greatly the gainer by the supplanting of these superannuated servants by younger men and women."

"But what can you do, under the present system? These people have given their lives in service to the Government. It is right to cast their adrift in their old age? Many of them have nothing saved up. It is true that this may be their own fault, but conditions are conditions, and you can't go back of them to causes, and the turning of these old folk out, to replace them with more vigorous and serviceable employees, means to them poverty and dependence. The State and the taxpayer therefore continue to suffer from incapacity and inefficiency."

"On the other hand there are many dangers to be met in any attempt to alleviate these conditions, and serious objections may be urged against almost any plan which is offered to retiring aged employees on pensions. We all know what a tremendous thing our

present military pension system has grown, which costs us \$10,000,000 a year forty years after the war, and no one wishes to open the door to a civil pension system which may bring in its trail innumerable abuses. A vast political machine, and an enormous drain on the Treasury are alike to be avoided.

"If you propose an assessment against each clerk of a percentage of his monthly salary, and then increase the salary to an amount to cover this assessment, you have in reality created a pension fund which comes from the taxpayer as truly as if you had made a direct appropriation for that purpose. On the other hand, if you take this percentage from the salary without increasing it, the clerk may ask, 'What right have you to take from me any of my salary? It is mine by law, and I am entitled to do with it what I will.'"

"The answer to the last argument, of course, is that, the law established, it is for the employee to accept or reject the conditions, and if he chooses the latter he has but to step out and let his place be taken by one of the many who are waiting for it."

"I wish you to understand that I stand committed to no particular plan or policy. You have put the question to me in a general form, involving only the principle of the thing, and I will say that, if some plan can be devised for the retirement of civilian employees, at a certain age or after a certain term of service, which will be fair to both employee and the Government, then I shall lend that plan my heartiest support. Some means undoubtedly ought to be devised to alleviate this present condition."

## COMMISSIONER WARE HAS TWO SCHEMES

Would Discharge Clerks by Amending Civil Service  
Rules, Appointing Young People for Ten Years.

COMMISSIONER OF PENSIONS

EUGENE F. WARE is a recognized authority on the questions of retirement and pensions, and only last week was summoned before the House Committee on Reform in the Civil Service to give the committee the benefit of his views. He was full of information, and gave a comprehensive interview covering many phases of this difficult question of the retirement of civilian employees. Mr. Ware has two plans, one to relieve the present situation, the other to prevent a recurrence of like circumstances in the future, and which, taken together, he thinks will obviate the necessity of a pension system of retirement. Said Mr. Ware:

"The question of superannuated clerks is one which has attracted my attention ever since I have been in this office."

"It is a question of Government policy whether or not there should be any superannuated employees. A theory could be adopted which would prevent it; for instance, suppose that all appointees should be selected from young persons, if from twenty to twenty-five they should serve, we will say, ten years, and then be discharged. If from twenty-five to thirty they should be discharged after seven years' service, and if from thirty to forty after five years' service. The object of such a plan would be, first, to have in the Government service only those who are young and able to do a large amount of work and do it well, and second, not to spoil the individual."

"After a person has been kept twenty-five years in the routine of a Government clerkship he becomes unable to grasp things on the outside; but if we take a young man of twenty and let him work ten years and get thoroughly imbued with 'system' and 'regularity,' it would be to him a valuable training which he could take out with him into civil life. Thus the public service would be something like a school-ship that would train a man and under the rule that the older the appointee the shorter should be his term, no one would remain in the service long enough to get spoiled. Under this plan no one in the service would become superannuated. There would be no need of civil service pensions; the Government would get the benefit of the service and the outside public the benefit of the education when the man left the service. Knowing that he was to leave the service, the employee would be economical, save his salary, and not live up to the limits of it."

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## Experts Point Out Means of Raising Funds With- out Increasing State Expenses.

Concerted Movement on  
Foot Which May Re-  
sult in Passage of  
Helpful Laws.

danger of poverty. Again, you will not have your desks occupied by men whose usefulness has deteriorated, yet whom no one wishes to turn adrift, if you provide a compulsory retirement with adequate monetary provision after a certain term of service. For these reasons I am in favor of the plan you mention."

service of the best men for an additional length of time, and furnish an incentive to excel.

"I think the civil service rules should be amended so that at least 4 per cent of the clerks could be discharged without any reasons or specifications being given. This would make it so that a political change of the entire percentage would take twenty-five years if worked upon political lines, which I think would not be the case. If that were feared, the right to discharge the 4 per cent should be limited to those that the discharging officer should certify were not dismissed for any political cause."

"The Government would not suffer by this short term principle. The service is becoming so divided and classified that it takes only a short time for a clerk to learn to do the particular duties assigned to him. I illustrate that in the Pension Bureau in this way: The work here is so arranged that it is like a shoe factory. It would take a man two or more years' apprenticeship to learn to make a good shoe, but he could go into a modern shoeshop, take a certain part of the work, saving cutting out soles, and in two weeks learn to do his part as well as if he stayed five years. The same would apply to running a pegging machine; in a short time he could get the run of the machine, and do as good work as if he had worked at it all his life."

"The work of the Pension Office is subdivided in the same way. For instance: Among the divisions, sections, and classifications would be, say, 'Navy Widows.' The amount of law upon that subject in the statute book is very small; the clerk could read it in two minutes, the work could be explained to him, the decisions shown him, he could read up on it, and go over the entire ground in two weeks. Then he could be put to work on those cases and in six months handle that kind of cases to the entire satisfaction of the bureau. Yet, he would be entirely 'up to date' on 'Mexican War Invalids.' But in two weeks he could read up all the law and decisions upon the latter subject, become familiarized with the cases, and in six months he could handle them satisfactorily."

"These, of course, are simply illustrations. The clerk, like the man in the shoeshop, learns but a very small portion of the business of the entire department, but that which he learns he learns fully and well, can do the work thoroughly, and becomes a wonderfully expert. By becoming expert he does better work than if he tried to learn the whole business; hence the Government, by reason of this classified service, could get the best sort of expert work from its clerks almost from the start, and not lose through the process of training, the experience or of education of the employee. Ten or even five years' work of that kind, by a corps of clerks continually and individually replaced, would be of most excellent quality, and the clerks themselves would go out of the Government employed, knowing, as true, but a little of the service, yet having a general knowledge of its order and discipline and the love of system which the experience gives."

"It seems as if it will be impossible to establish a civil service pension, at least for the present. Every man connected with pensions seems to be now subject to criticism. A very great amount of this criticism is unjust, but nevertheless it is aloft, people believe what is said, and they fear that if once a civil service pension is established Congressmen will put their favorites, their relatives, and their wives' relatives on the civil service pension roll."

"This fear has brought about such an objection that it is not possible to discuss the proposition with judicial candor, but as a matter of fact the civil service rules as at present applied to the existing condition of the public service must bring about a civil pension unless a change is made by Congress in this condition and the tendency which that condition produces."

"A civil service pension is at least as sensible as a bounty land warrant for act or a bounty pension to soldiers, for instance, of the Indian war, who served a few days in protecting themselves and now want the Government to support them for life."

"I have before me an Indian war roll in which there were nineteen private soldiers, who were commanded by one major, two captains, four lieutenants, and two other commissioned officers. They put in a bill to the Government for expenses of nearly \$2,400, and now want to be pensioned for life."

"A civil service pension is a judicious and graceful act on a scale of such a proposition. It may come in time, but it is not necessary now to discuss it. If the short term plan should be applied, then, of course, there would be no civil service pension."

"There are at present a large number of superannuated clerks on the roll. Some of them are quite ancient, but among these old clerks are those very valuable by reason of their remembrance of what has passed in the bureau, and the example of their upright and moral conduct. I have two division chiefs of advanced age for whom I entertain a very profound respect."

"I would not under the circumstances deprecate upon me, discharge any of these old clerks unless for some moral delinquency. They come to the end of their work the best they can. They do not accomplish very much, but what they do they do as well as they can. Having been in the office for many years, their records have been that of integrity and work, and I do not care to discharge them, even though some of them are not earning their salaries."